



AGENDA ITEM 3: Treasurer's Report

MEMORANDUM

TO: Board of Directors, Beckwourth Peak Fire Protection District

FROM: Rich McLaughlin, Treasurer

DATE: February 4, 2026

SUBJECT: FY 2025-26 Midyear Financial Review & Budget Performance Report

I. EXECUTIVE SUMMARY

The District manages our budget across three “funds”:

- Core Business – Fire, Emergency, and Rescue Service operations; funded primarily from property tax and parcel tax apportionments from Plumas County.
- Office of Emergency Services (OES) strike team and preposition operations; funded through OES reimbursements, typically received 3 to 6 months after completion but subject to long delays due to Government spending disruptions.
- Capital Operations, both scheduled and emergent requirements; funded from scheduled and appropriated payments from the District’s general operation and reserve funds.

As of December 31, 2025, the District has completed 50% of the current fiscal year.

Overall, the District’s financial position remains stable given the known and forecast delays in receiving property and parcel tax revenues. While we received the small FY24/25 third apportionment payments for BPFDPD and EPRFD early in this Fiscal Year (September and October) we have yet to receive our first FY25/26 tax apportionment payment. Our core business expenditures are currently running within 1% of the annual budget at the 6 month point – meaning we are spot on our projected budget.

In the OES operations arena, OES reimbursements have now covered all seasonal OES operational costs, with an expected \$219,504 reimbursements still expected this FY. This brings projected OES income to just under \$300k for the FY.

II. REVENUE HIGHLIGHTS

Core Business Operations: The District carried over \$450k from FY24/25 providing a solid basis for our first operating quarter in FY25/26. We added an additional \$42,978 in late

FY24/25 tax apportionments in September and October. We expect our first projected FY25/26 tax apportionment payment of \$407k any day.

Plumas County schedules three apportionment payments annually, 50% in January, 45% in April, and 5% in June but rarely adheres to that schedule, with payments 1 to 2 months delayed. As expected, second quarter operations required a transfer of \$100,000 from operational reserves to cover core business revenue shortages. We intend to reimburse operational reserves with proceeds from our first tax apportionment payment.

In the OES Fund we carried forward \$170k in OES funding into FY25/26 and had a solid OES fire season with 16 OES sponsored evolutions generating a projected \$292k in OES revenue. OES revenue currently drives District reserve building.

In the Capital Fund we have successfully secured \$112,268 in grant funding, \$108,718 from the Office of Traffic Safety (OTS) for rescue equipment, and \$3,550 from the California Fire Foundation (CFF) for communication equipment. We have also been awarded a FEMA Assistance to Firefighters (AFG) grant for \$287k for fire station upgrades and will receive these dollars as we submit invoices to complete the upgrades.

III. EXPENDITURE ANALYSIS

Personnel Costs: This remains the largest expenditure category. For year to date (YTD), core wages are \$3.5k under budget, core compensation expense is \$28k under budget, and other employe expenses are only \$3.9k over budget. The primary driver of other employee expenses was the purchase of new Personal Protective Equipment (PPE). As the primary cost driver, overall Personnel costs are 10% under budget at 6 months.

Services and Supplies are likewise under budget by 1% or \$1.4k. This is remarkable in that this category includes our high insurance costs and the cost of our annual audit.

Administration costs are \$12k over budget (24%) primarily due to higher than budgeted costs for membership (Lexipol, CSDA, Fire Districts Association) and subscription costs. We will review these expenses in our next round of budgeting.

Building and Equipment costs are \$15k over budget (22%) due to unexpected maintenance costs for our aging infrastructure and building. My intent for the future is to move more of these costs to capital and extraordinary expenses in order to paint a more accurate picture of routine building and equipment operational costs.

Our overall Core Operations costs are less than 1% under budget at the mid-year point. We will continue to closely monitor all expenditures in the second half of the FY.

IV. CAPITAL FUND

Due to the need to preserve reserve dollars to support Core operations as well as emerging OES assignments, we have remained very conservative in equipment and infrastructure upgrades. However, we did authorize funds to purchase a water tender (lease to own) as well as a used Type 1 engine. Our CFF \$3,550 grant dollars went directly into the Capital fund, and we used these dollars to purchase communication equipment. The OTS grant on

the other hand required us to purchase the rescue tools in advance with reserve dollars and submit for reimbursement. That reimbursement is now complete, and we will be returning \$100k to Reserves. The AFG grant has a different structure where contract out for the labor and equipment for the station upgrades to the vehicle exhaust system with no cash required upfront and submit all invoices to FEMA for reimbursement after the work is complete. With our continued success in OES operations and planned future operations supporting the Plumas National Forest (PNF), we hope to be able to begin more aggressive upgrades within our Capital program.

IV. OES OPERATIONS.

This fire season saw a total of 8 strike team events and 8 preposition events which will generate approximately \$615k in District revenue. OES costs to date for this season were approximately \$323k generating and estimated \$292k in income to the District. To date, OES has paid us on 12 of the 16 invoices and working with OES for the remaining payments. This is a somewhat complex process where the Chief prepares an order for services, submitted online to OES, who generate an Invoice for the Chief's approval and resubmittal for payment. Typically, OES pays the invoices within about 6 months, but others have lingered for as much as a year before we see payment.

V. RESERVE & FUND BALANCE

Due to the predictable daily operation costs funded through a somewhat rigid but delayed tax apportionment system, we rely on reserves to carry us through the first two quarters of the FY. Likewise, the totally unpredictable OES assignments with long payment lag times also require reserve funding to take advantage of income generating power of OES work. To accommodate these demands, I have structured a dynamic reserve program where all excess generated dollars go into a reserve pool from which we can pull resources to fund our Operational, Capital, and OES Reserves. We have established a Savings account at Plumas Bank to maintain a minimum of \$200k in Operational Reserves and \$100k in Capital Reserves. To avoid continually moving money between account I manage the reserve pool in a ledger format leaving the actual dollars in the Business Checking account. The \$200k in Operational Reserves provides the District with approximately three months of operating liquidity meeting the Board's current policy requirements. Attached to the packet is a summary of our reserve standings over our first 6 quarters of operations.

VI. AUDIT

We completed a relatively clean audit during the first quarter of this year. Mary Cummins and her team from RJAC visited the District for three days, working with the management team to go over our processes, systems, and books. As this was first Audit for the new District it was an important milestone and I'm happy to report that the audit went down

with relatively clear sailing. Mary did recommend that Rose make a few significant changes to our QuickBooks accounting, shifting from a cash to an accrual basis which Rose quickly accomplished. While we do not yet have our official debrief, we did receive a preliminary debrief which noted two missing documents. The first was a formal debrief of our first year budget. I was able to provide the team with about 80% of the requirements from my informal debrief to the Board last September. We'll do better now that we know what rules require us to do! The second item is a Gann Apportionment Limit resolution, required of all public agencies that receive tax dollars. None of us knew about this requirement nor did we have any experience with it. You will see such a resolution in your Board package as we need to put this in place for this year and update it each year as part of our budget package.

VII RECOMMENDED ACTIONS

Our Budget and Reserve Policies allow the Chief and Treasurer to move funds from the Operational and OES Reserve accounts as needed to meet the ever evolving requirements. To move funds out of Capital Reserves does require Board approval. I am recommending that we keep with that general structure but once we see our first tax Apportionment payment for the year, I'll be asking the Board's permission to move \$100k into a new CSDA Class Account. Our Plumas Bank savings account generates very little interest whereas the CLASS accounts are pushing 5%. CLASS gives us the ability to move money in and out essentially real time with very minimal charges. CSDA designed CLASS to support Special Districts, and I recommend we take advantage of their system. If the system works as well as it appears, we will plan to move more dollars to that account over time. OES and projected PNF operations offer great potential to build our reserves.

While we should be in new budget mode very soon, it is impractical to get too far into that effort until we can validate our tax revenues with the first Apportionment Payment. Our budget for FY26/27 will also include our Special Fire Tax for the former EPRFD parcels and we will need to determine the value of that tax increase.

VIII ATTACHMENTS

As this is the midyear report, I have refrained from including January in the following attachments. Please find the following enclosed.

1. Performance Report against Budget. I continue to refine this report as I learn more about our maturing finances. I have made this report two pages due to the amount of information and allowing a larger font. The Core Operating Fund Revenue and Expenses are on Page 1, the Capital and OES Fund are on Page 2.
 - a. Current month (December) is on the left shaded in lavender.
 - b. Year to Date (through December) is in the middle section shaded in blue.
 - c. Annual information is the far left.

2. 31 Dec 25 Balance Sheet
3. 31 Jan 25 Banking Report
4. 31 Jan 25 Reserve Tracker
5. 31 Dec 25 Vendor's Report

Please review all documents and feel free to ask questions or make recommendations. It is important that all Board members have a basic understanding of our finances.

REPORTING MONTH:	DEC	FY Month #	6	CURRENT MONTH RESULTS			YTD PERFORMANCE RESULTS			ANNUAL		
				Current Month	Monthly Budget	Over/Under (Month)	YTD	YTD Budget	Over/Under (YTD)	Annual Budget	Over/Under (Annual)	
OPERATING FUND												
40000 Operating Revenue												
40050 Carryover (prior month/year)				\$ 140,297			\$ 225,333	\$ 244,644	\$ (19,311)	\$ 244,644		
40100 Property Tax				\$ -			\$ 19,832	\$ 175,258	\$ (155,425)	\$ 350,515	\$ (330,683)	
40200 Parcel Tax				\$ -			\$ 21,605	\$ 193,012	\$ (171,407)	\$ 386,024	\$ (364,419)	
40300 Other Tax Revenue				\$ -			\$ 1,541	\$ 3,328	\$ (1,787)	\$ 6,655	\$ (5,114)	
40400 Other Income				\$ 217			\$ 24,376	\$ 12,250	\$ 12,126	\$ 24,500	\$ (124)	
Transfer from Reserves				\$ 100,000								
Total Operating Funds				\$ 240,514			\$ 292,687	\$ 628,491	\$ (335,804)	-53%	\$ 1,012,339	\$ (719,651)
50000 Opeering Expenses												
51000 Core Personnel												
51100 Wages				\$ 55,390	\$ 40,981	\$ 14,409	\$ 242,298	\$ 245,885	\$ (3,587)	\$ 491,769	\$ (249,471)	
51200 Compensation Expense				\$ 2,313	\$ 7,435	\$ (5,122)	\$ 16,782	\$ 44,610	\$ (27,828)	\$ 89,219	\$ (72,437)	
51300 Other Employee Expense				\$ 432	\$ 1,783	\$ (1,352)	\$ 14,666	\$ 10,700	\$ 3,966	\$ 21,400	\$ (6,734)	
51000 Personel Total				\$ 58,134	\$ 50,199	\$ 7,935	\$ 273,745	\$ 301,194	\$ (27,449)	-10%	\$ 602,388	\$ (328,643)
52000 Services and Supplies				\$ 53,123	\$ 18,454	\$ 34,669	\$ 109,350	\$ 110,772	\$ (1,372)	\$ 221,445	\$ (112,095)	
53000 Administration				\$ 6,456	\$ 6,296	\$ 160	\$ 49,594	\$ 37,775	\$ 11,819	10%	\$ 75,550	\$ (25,956)
54000 Building and Equipment												
54100 Maintenance				\$ 1,466	\$ 813	\$ 653	\$ 21,807	\$ 4,877	\$ 16,931	\$ 9,753	\$ 12,054	
54200 Vehicles				\$ 2,305	\$ 8,250	\$ (5,945)	\$ 47,783	\$ 49,500	\$ (1,717)	\$ 99,000	\$ (51,217)	
54000 Bldg & Equip Total				\$ 3,771	\$ 9,063	\$ (5,292)	\$ 69,591	\$ 54,377	\$ 15,214	22%	\$ 108,753	\$ (39,162)
55000 Transfer to Reseves				\$ -			\$ -					
Core Operations Total Expense				\$ 121,484	\$ 84,011	\$ 37,473	\$ 502,280	\$ 504,068	\$ (1,788)	0%	\$ 1,008,136	\$ (505,856)
Income Over Expense				\$ 119,030			\$ (209,593)	\$ 124,423			\$ 4,203	\$ (213,796)

CAPITAL FUND	Current Month	Monthly Budget	Over/Under (Month)	YTD	YTD Budget	Over/Under	Annual Budget	Over/Under
70000 Capital Contributions								
70050 Carryover (prior month/year)	\$ 6,423			\$ -	\$ -	\$ -	\$ -	\$ -
70075 Transfer from Reserves	\$ -			\$ 130,000	\$ -	\$ 130,000	\$ -	\$ 130,000
70100 Vehicle/Equipment Sales	\$ -			\$ 300	\$ 20,000	\$ (19,700)	\$ 40,000	\$ (39,700)
70110 Grant Funding	\$ 108,718			\$ 112,268	\$ 76,099	\$ 36,169	\$ 152,198	\$ (39,930)
70000- Total Capital Funding	\$ 115,141			\$ 242,568	\$ 96,099	\$ 146,469	\$ 192,198	\$ 50,370
80000 Capital Expenses								
80100 Building Capital Expense	\$ -			\$ -	\$ (56,500)	\$ (56,500)	\$ 113,000	\$ (113,000)
80200 Equipment Capital Expense	\$ (2,122)			\$ (130,351)	\$ (82,500)	\$ 47,851	\$ 165,000	\$ (295,351)
80300 Debt Service (Lease/Purchase)	\$ -			\$ -	\$ (60,992)	\$ (60,992)	\$ 121,983	\$ (121,983)
80400 Transfer To Reserves	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -
80000 - Total Capital Expense	\$ (2,122)			\$ (130,351)	\$ (199,992)	\$ (69,641)	\$ 399,983	\$ (530,334)
Capital Fund Balance	\$ 113,019			\$ 112,218				
OES OPERATIONS FUND								
90000 OES Funding								
90050 Carryover (prior month/year)								
90075 Transfer from Reserves	\$ -			\$ 5,000				
90100 OES Reimbursements	\$ 198,870			\$ 399,954				
90000 - Total OES Operations Funding	\$ 198,870			\$ 404,954				
10000 OES Expenses								
10100 OES Wages	\$ (90,032)			\$ (298,277)				
10200 OES Compensation Expense	\$ (3,759)			\$ (26,845)				
Total 10250 OES Payroll	\$ (93,791)			\$ (325,122)				
10300 Other OES Expenses	\$ -			\$ (8,863)				
10000 - Total OES Operation Expenses	\$ (93,791)			\$ (333,985)				
OES Revenue over Expenses	\$ 158,723			\$ 70,969				
OES Outstanding Invoices for Payment				\$ 220,000				
Projected OES Total Revenue				\$ 290,969				

Beckwourth Peak Fire Protection District
Balance Sheet
As of December 31, 2025

Dec 31, 25

ASSETS

Current Assets

Checking/Savings	
57000-Reserves	
57100-Operational Reserves	<u>206,616.83</u>
Total 57000-Reserves	<u>206,616.83</u>
Plumas Bank Operations	<u>320,377.04</u>
Total Checking/Savings	<u>526,993.87</u>
Accounts Receivable	
11000 · Accounts Receivable	<u>217,945.04</u>
Total Accounts Receivable	<u>217,945.04</u>
Total Current Assets	<u>744,938.91</u>
TOTAL ASSETS	<u>744,938.91</u>

LIABILITIES & EQUITY

Liabilities

Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	<u>13,503.48</u>
Total Accounts Payable	<u>13,503.48</u>
Other Current Liabilities	
24000 · Payroll Liabilities	<u>-5,102.01</u>
Total Other Current Liabilities	<u>-5,102.01</u>
Total Current Liabilities	<u>8,401.47</u>
Total Liabilities	<u>8,401.47</u>

Equity

60000-RESERVES	
61000-Operating Reserves	592,244.55
61050 Assigned Operating Reserve	205,000.00
62000 AssignCapImpv Reserves	<u>100,000.00</u>
Total 60000-RESERVES	<u>897,244.55</u>
32000 · Retained Earnings	142,378.22
Net Income	<u>-303,085.33</u>
Total Equity	<u>736,537.44</u>
TOTAL LIABILITIES & EQUITY	<u>744,938.91</u>

BECKWOURTH PEAK FIRE PROTECTION DISTRICT
BANKING SUMMARY - 31 JANUARY 2026

Business Checking	\$ 404,242
Buisness Savings	\$ 207,002
Total on Account	\$ 711,244

Planned Transfers :	\$100,000	Move from Checking to Savings to replenish funds used to purchase OTS equipment - since reimbursed
	\$100,000	Subsequent move of \$100k from Savings to a new CSDA CLASS investment account - once we receive our first tax apportionment payment assuring we have operating dollars for the nex quarter.

1/31/2026

DISTRICT RESERVE TRACKER

	2024-2025					2025-2026				
	APR - JUN 2024	JUL - SEP 2024	OCT - DEC 2024	JAN - MAR 2025	APR - JUN 2025	JUL - SEP 2025	OCT - DEC 2025	JAN - MAR 2026	APR - JUN 2026	
Unallocated Reserves	\$ -	\$ 12,447	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ -	
Operational Reserves	\$ 50,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 200,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000	
Capital Reserves	\$ 100,000	\$ 100,000	\$ 100,000	\$ 40,000	\$ 100,000	\$ 85,000	\$ 100,000	\$ 100,000	\$ 100,000	
OES Reserves	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	
Total Reserves	\$ 300,000	\$ 400,000	\$ 400,000	\$ 340,000	\$ 300,000	\$ 285,000	\$ 215,000	\$ 215,000	\$ 215,000	
Projected OES deposits								\$ 219,503		
Projected First Apportionment Payment								\$ 407,000		
Projected Second Apportionment Payment									\$ 274,000	

Beginning Equity Funding:	\$ 416,000
Orifinal Transfer to Operations:	\$ (116,000)
Retained in Reserve Account:	\$ 300,000
Operations Reserves:	\$ 200,000
Capital Reserves:	\$ 100,000
Average monthly burnrate (core ops)	\$ 84,000 Target for Operational Reserves is 3 months (\$252k)

Beckwourth Peak Fire Protection District
Vendor Balance Summary
As of December 31, 2025

	<u>Dec 31, 25</u>
Burton's Fire Inc	-286.26
City of Portola Utility	164.58
Graffics Unlimited	-161.00
High Sierra Gas	5,889.42
Hunt & Sons LLC	-581.63
Intermountain Disposal	-204.28
Intermountain Disposal City	43.60
Johns Spring and Suspension	-32.46
L.N. Curtis & Sons	12,671.35
Les Schwab Tires	510.10
Napa Auto Parts	-648.81
Overhead Door Company Sierra NV	-385.00
Plumas Ace Hardware	-42.07
US Bank Equipment Finance	-83.26
TOTAL	<u>16,854.28</u>